MINUTES OF THE MEETING OF THE UTAH

 ALCOHOLIC BEVERAGE CONTROL COMMISSION

HELD TUESDAY, NOVEMBER 26, 2019, AT 1625 SOUTH

900 WEST, SALT LAKE CITY, UTAH.

*[The proposed agenda for this meeting was emailed to all persons on the regular email list on Wednesday, November 21, 2019. A copy of the final agenda was posted on the bulletin board at the DABC Administrative Office, emailed to the Salt Lake Tribune and the Deseret News, and posted on the Utah Public Notice Website by 10:00 a.m. on Monday, November 25, 2019.]*

Vice-Chairman Tom Jacobson called the meeting to order at 10:05 a.m.

Commissioners Present: Tom Jacobson, Steve Bateman, Amanda Smith, Sophia DiCaro, Jacquelyn Orton, and Stanley B. Parrish.

Staff Present: Salvador Petilos, Director; Cade Meier, Deputy Director; RuthAnne Oakey-Frost, Compliance and Licensing Director; Angela Micklos, Compliance and Licensing Director; and David Higley.

Also Present: Sheila Page, Assistant Attorney General.

PLEDGE OF ALLEGIANCE:

Cori Price led the group in the Pledge of Allegiance.

APPROVAL OF MINUTES:

Ms. DiCaro moved to approve the minutes of the Commission Meeting held on October 29, 2019. Ms. Smith seconded the motion which passed unanimously.

Mr. Parrish moved to approve the minutes of the Special Commission Meeting held on October 29, 2019. Ms. Orton seconded the motion which passed unanimously.

ANNOUNCEMENTS:

Mr. Jacobson made the following announcements:

a. Proposed Future Meeting Schedule: *(subject to change)*

 - Tuesday, December 17, 2019

 - Tuesday, January 28, 2020

b. Holiday Closures:

 - Thursday, November 28, 2019 (Thanksgiving Day)

 Liquor stores and the DABC administrative office and warehouse will

be closed.

c. License Renewals:

 - Monday, December 2, 2019

 Deadline for filing all renewal materials and paying fees for the following

licenses, permits, and certificates:

 - Brewers Located Outside of Utah

 - Liquor Warehouse

 - Beer Wholesaler

 - Local Industry Representative

 - Utah Manufacturers – Breweries/Wineries/Distilleries

 - Public Service Permits

APPOINTMENT OF DABC INTERNAL AUDITOR.

Mr. Jacobson introduced Traci Santillanes, a candidate for the DABC Internal Auditor position. Ms. Santillanes will be replacing Tim Beardall.

Mr. Bateman moved to approve the appointment of Traci Santillanes as DABC Internal Auditor. Ms. Orton seconded the motion which passed unanimously.

VIOLATIONS:

 \* Referral Source – State Bureau of Investigation (SBI)

a. Consent Calendar:

*[The following Consent Calendar items include uncontested letters of admonishment (written warnings) and settlement agreements that have been agreed to and accepted by the licensees. They are considered as a block with one vote unless one of the commissioners request that any item be removed for individual discussion. A summary of consent calendar items was distributed to the commissioners and is attached and made part of these minutes.]*

 (1) Charleston Café, Draper and Peyton \*SBI (RE)

 Stock (employee).

 (2) Charlie’s Southern Barbecue, Cedar City \*SBI (RB)

 and Joseph Luke (employee).

 (3) Delton Bowling Center, Riverton and \*SBI (BE)

 David Kummer (employee).

 (4) Hearth on 25th, Ogden and Marcello \*SBI (RE)

 Maiuri (employee).

 (5) Jeremiah’s @ High Country Inn, Ogden \*SBI (RE)

 and Graciela Zamora (employee).

 (6) Manning’s Short Stop, Hyrum and Kathie \*SBI (OP)

 Taylor (employee).

 (7) Pie Pizzeria, Ogden and Jennifer Kabeary \*SBI (RL)

 (employee).

 (8) Ridley’s Family Market #1150, Hyrum, and \*SBI (OP)

 Samantha Bown (employee).

Mr. Jacobson noted that items #1 Charleston Café and #8 Ridley’s Family Market will be continued to the December meeting. The balance of the items on the consent calendar are complete and Ms. Page recommended approval.

Ms. DiCaro moved to approve items #2 Charlie’s Southern Barbecue, #3 Delton Bowling Center, #4 Hearth on 25th, #5 Jeremiah’s @ High Country Inn, #6 Manning’s Short Stop, and #7 Pie Pizzeria on the consent calendar. Mr. Bateman seconded the motion which passed unanimously.

b. Order to Show Cause:

 (1) ~~Round 1 Bowling & Entertainment, Sandy~~. *STRIKE*

 (2) Barbacoa Mexican Grill, Salt Lake City. (RB)

Mike Bishop gave an overview of the order to show cause for Barbacoa. He explained a manager has not completed the manager training or background check. Barbacoa has not been responsive to his inquiries.

Mr. Bateman moved to suspend the beer only restaurant license until the December meeting and to ask Barbacoa Mexican Grill to appear at the December meeting to explain why the requirements have not been met. Ms. Orton seconded the motion which passed unanimously.

TRANSFER OF LOCATION REQUESTS:

a. Sakura Sushi (RL)

 From: 1735 E. Skyline Drive #3, South Ogden.

 To: 4850 Harrison Blvd. #5, Ogden.

Cori Price gave an overview of the request noting it is complete and staff recommends approval.

Mr. Bateman moved to approve a transfer of location for Sakura Sushi. Ms. Smith seconded the motion which passed unanimously.

b. Old Town Cellars (BAR)

 From: 890 Main Street, Park City.

 To: 408 Main Street, Park City.

Erin Hinkel gave an overview of the application noting it is complete and staff recommends approval.

Mr. Parrish moved to approve a transfer of location for Old Town Cellars (BAR) in Park City. Ms. DiCaro seconded the motion which passed unanimously.

MANUFACTURE REPRESENTATIVE APPLICANT:

a. TM Distributing, North Salt Lake.

Dan Oberg gave an overview of the application noting it is complete and staff recommends approval.

Mr. Parrish moved to approve a manufacture representative license for TM Distributing. Ms. DiCaro seconded the motion which passed unanimously.

~~RELIGIOUS SPECIAL USE PERMIT APPLICATION:~~ *STRIKE*

~~RESORT LICENSEE REQUESTING ADDITIONAL SUBLICENSE.~~ *STRIKE*

PACKAGE AGENCY APPLICANT:

a. Silver Reef Distillery, Washington.

Jeff Colvin gave an overview of the application for a Type 5 package agency. He stated it is complete and staff recommends approval.

Ms. DiCaro moved to approve a Type 5 package agency license for Silver Reef Distillery in Washington. Ms. Orton seconded the motion which passed unanimously.

PACKAGE AGENCY CONSIGNMENT INCREASE REQUESTS:

a. Tremonton PA405.

Jeff Colvin explained that the Tremonton PA405 is requesting an increase from $50,000 to $65,000. Staff recommends approval.

b. Kamas PA348.

Jeff Colvin explained that Kamas PA348 is requesting an increase from $75,000 to $90,000. Staff recommends approval.

Mr. Bateman moved to approve a consignment increase to $65,000 for Tremonton PA405, and a consignment increase to $90,000 for Kamas PA348. Ms. Smith seconded the motion which passed unanimously.

OFF-PREMISE BEER RETAILER APPLICANTS:

a. Completed Applications. *(list attached)*

Stephne Hanson asked the commissioners to strike #4 Pig Pen Ice Rink in Park City and #5 El Pueblo Market in Payson. The balance of the applications are complete and staff recommends approval.

Ms. DiCaro moved to strike #4 Pig Pen Ice Rink in Park City and #5 El Pueblo Market in Payson and approve the balance of the completed off-premise beer retailer applications. Mr. Parrish seconded the motion which passed unanimously.

b. Conditional Applications. *(list attached)*

Stephne Hanson asked the commissioners to strike #3 7-Eleven in West Jordan and approve the balance of the conditional applications.

Ms. Orton moved to strike #3 7-Eleven #34991H in West Jordan and approve the balance of the conditional off-premise beer retailer applications. Ms. DiCaro seconded the motion which passed unanimously.

LICENSE APPLICATIONS:

a. License Transfers:

 ***51% or more ownership transfer of an existing entity****:*

 (1) La Fountain, Lehi. (RE) (100*% or more transfer)*

 (2) ~~Wing Nutz, South Jordan. (RE)~~ *STRIKE*

 (3) Moab Brewery, Moab. (RE & BAR) *(100% transfer)*

 ***Full transfer:***

 (4) a. Market Street Grill, South Jordan. (RE & BAR) (Full transfer)

 (Conditional)

 b. Market Street, Cottonwood Heights (RE & BAR) (Full transfer)

 (Conditional)

 c. Market Street, Salt Lake City. (RE & BAR) (Full transfer)

 (Conditional)

 (5) Trolley Wing Company, Salt Lake City. (BAR) (Full transfer)

Margaret Hardie asked the commissioners to strike #2 Wing Nutz and gave an overview of the license transfers noting those that are conditional. Staff recommends approval.

Jess Wilkerson from #5 Trolley Wing came forward and confirmed he will relinquish the tavern license.

Mr. Bateman moved to grant license transfers to #1 La Fountain in Lehi, #3 Moab Brewery in Moab, and #5 Trolley Wing Company in Salt Lake City; and a conditional license transfer to #4 Market Street in South Jordan, Cottonwood Heights and Salt Lake City. Ms. DiCaro seconded the motion which passed unanimously.

b. Full Service Restaurant Applicants:

 *New Applicants:*

(1) Fat Fish, Bountiful.

 (2) Camp Sarika by Amangiri, Kanab. *(Conditional)*

 (3) The Juan, Mexican Hat. *(Conditional)*

 (4) No Name Saloon & Grill, Park City. *(Conditional)*

 (5) Baan Thai Cuisine, Park City. *(Conditional)*

 (6) Escala Provisions Co., Park City.

 (7) ~~Publik Kitchen, Salt Lake City~~. *STRIKE*

(8) Blue Marlin, Salt Lake City. *(Conditional)*

 (9) Omo, Salt Lake City. *(Conditional)*

 (10) Los Garcia Mexican Food, Sandy.

 (11) Maracas Mexican Grill, Santaquin.

Jason Gunn gave an overview of the applications noting those that are conditional. Staff recommends approval.

Mr. Bateman moved to strike #7 Publik Kitchen and approve full service restaurant licenses for #1 Fat Fish in Bountiful, #6 Escala Provisions Co. in Park City, #10 Los Garcia Mexican Food in Sandy, and #11 Maracas Mexican Grill in Santaquin; and conditional full service restaurant licenses for #2 Camp Sarika by Amangiri in Kanab, #3 The Juan in Mexican Hat, #4 No Name Saloon & Grill in Park City, #5 Baan Thai Cuisine in Park City, #8 Blue Marlin in Salt Lake City and #9 Omo in Salt Lake City. Ms. DiCaro seconded the motion which passed unanimously.

c. Bar Establishment Applicants:

 *Previous Applicants:*

(1) Grid City Beer Works, Salt Lake City. *(Conditional)*

(2) Jackson’s Base Camp, Park City. *(Conditional)*

(3) Redemption, Herriman. *(Conditional)*

(4) ~~Trolley Wing Company, Salt Lake City~~. *STRIKE*

(5) Calavera Cantina, Salt Lake City. *(Conditional)*

Mr. Jacobson noted there are no licenses available. Mike Bishop asked the commissioners to strike #4 Trolley Wing Company since they were able to purchase a license.

d. Hotel Applicant:

 *New Applicant:*

1. ~~The Homestead Resort, Midway~~. *STRIKE*
2. ~~The Advenire Hotel, St. George~~. *STRIKE*

e. Banquet Catering Applicants:

 *New Applicants:*

(1) Hyatt Centric, Park City.

 (2) Best Western Plus Abbey Inn, St. George.

Cori Price gave an overview of the applications noting staff recommends approval.

Mr. Parrish moved to grant banquet catering licenses to #1 Hyatt Centric in Park City and #2 Best Western Plus Abbey Inn in St. George. Mr. DiCaro seconded the motion which passed unanimously.

f. Limited Service Restaurant Applicants:

 *New Applicants:*

 (1) Spitz, Draper.

 (2) Yu’s Maple Garden Chinese Restaurant, Ogden. *(Conditional)*

 (3) Kickin Seafood, Orem.

 (4) Reef’s Cuisine, Park City.

 (5) Club Mecca Café, Price.

 (6) ~~Salina Happy Hours, Salina~~. *STRIKE*

 (7) Five Sushi Brothers, Salt Lake City.

 (8) Tea Zaanti, Salt Lake City. *(Conditional)*

 (9) Dim Sum House, Salt Lake City.

 (10) ~~Sushi Monster, West Valley City~~. *STRIKE*

 (11) Sake Restaurant, Sandy. *(Conditional)*

Erin Hinkel asked the commissioners to strike #6 Salina Happy Hours. She noted #10 Sushi Monster has a violation history. Ms. Hinkel gave an overview of the balance of the applications noting those that are conditional.

A representative, Nancy, from #10 Sushi Monster came forward to address the commission regarding their violation of a sale to a minor by a minor. The representative explained the actions taken to make sure another sale to minor violation doesn’t occur. The commissioners asked if a written plan is in place to avoid having underage employees selling alcohol, especially to minors. The representative was seemingly confused as to how a minor employee can participate in an alcohol transaction when an order is placed. Ms. Hinkel stated staff recommends that consideration be held until the December meeting so staff can offer Sushi Monster a compliance training and assist in getting their procedures up to date.

Ms. DiCaro moved to strike #6 Salina Happy Hours and #10 Sushi Monster and grant limited service restaurant licenses to #1 Spitz in Draper, #3 Kickin Seafood in Orem, #4 Reef’s Cuisine in Park City, #5 Club Mecca Café in Price, #7 Five Sushi Brothers in Salt Lake City, and #9 Dim Sum House in Salt Lake City; and conditional limited service restaurant licenses to #2 Yu’s Maple Garden Chinese Restaurant in Ogden, #8 Tea Zaanti in Salt Lake City, and #11 Sake Restaurant in Sandy. Mr. Bateman seconded the motion which passed unanimously.

g. On-Premise Beer Only Restaurant Applicant:

 *New Applicant:*

1. Villa Del Sol, Orem.

Cori Price gave an overview of the application noting staff recommends approval.

Ms. DiCaro moved to grant an on-premise beer only restaurant license to #1 Villa Del Sol in Orem. Ms. Smith seconded the motion which passed unanimously.

h. On-Premise Beer Recreational Applicants:

 *New Applicants:*

 (1) Utah Food Services @ Eccles, Salt Lake City. *(Conditional)*

 (2) ~~Utah Food Services @ Salt Palace, Salt Lake City~~. *STRIKE*

 (3) Utah Food Services @ Rose Wagner, Salt Lake City. *(Conditional)*

Cori Price explained that #2 is actually at Capitol Theatre, not the Salt Palace. Ms. Page stated that since it wasn’t properly noticed, it will have to be held until the December meeting. A representative of Utah Food Services acknowledged that it will not affect their business if it held until the December meeting. Ms. Price gave an overview of the balance of the applications noting that they are conditional and staff recommends approval.

Ms. Orton moved to grant conditional on-premise beer recreational licenses to #1 Utah Food Services @ Eccles in Salt Lake City and #3 Utah Food Services @ Rose Wagner in Salt Lake City. Mr. Parrish seconded the motion which passed unanimously.

i. On-Premise Beer “Tavern” Applicant:

 *New Applicant:*

1. Jackson’s Base Camp, Park City.

Cori Price gave an overview of the application noting staff recommends approval.

Mr. Bateman moved to grant an on-premise beer tavern license to #1 Jackson’s Base Camp in Park City. Ms. Smith seconded the motion which passed unanimously.

EXECUTIVE SESSION *(not on agenda)*

Ms. Smith made a motion that the commission move into a Closed Session pursuant to Utah Code 52-4-204 to discuss pending litigation as allowed in 52-4-205(1)(c). Mr. Bateman seconded the motion. Ms. Smith, Ms. Orton, Mr. Jacobson, Mr. Bateman, Ms. DiCaro and Mr. Parrish voted aye. The motion passed.

*(Closed session 10:40 a.m. to 11:17 a.m.)*

OPERATIONS UPDATE:

a. Beer Update.

Mr. Petilos noted it has been 26 days since the change in ABV beer allowed in grocery and convenient stores. The department will end up destroying 6,597 units or 275 cases valued at approximately $10,200. He gave an overview of the purchasing plan to replace the beer including increasing flavored malt beverages, ciders and premixed cocktails. The department doesn’t anticipate a reduction in revenue but will know more in December after the November data is analyzed.

b. Package Agency Audits.

Jeff Colvin reported that two agencies were audited and found to be in compliance.

FINANCIAL UPDATE:

David Higley reported that as of the end of October 2019, YTD bottle sales increased 14.29% (2,339,270 bottles) compared to last year. YTD retail sales are up $20,389,983 (13.94% increase). Mr. Higley explained that part of the increase is due to the increased number of sales days – 98 last year versus 104 this year.

PARENTS EMPOWERED UPDATE:

Doug Murakami gave an update on the Parents Empowered campaign. He distributed and gave an overview of the annual report. He also showed the new television spots and explained the creative strategies behind them.

COMMENTS FROM COMMISSIONERS AND PUBLIC:

* Tanner Strickland Lenart came forward to address the commission regarding the availability of bar establishment licenses. She noted it is wonderful to have the opportunity to buy a license, but not a great solution. She urged the commissioners to encourage the legislators to increase the number of licenses as the licensing fees are minimal compared to the price of purchasing a license.

There being no further business, the meeting adjourned at 11:40 a.m.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chairman